

February 1, 2012

To: Members of the Assembly Committee on Financial Institutions
From: Sen. Glenn Grothman
Re: Assembly Bill 494

This is a package of statutory changes drafted at the request of the Department of Financial Institutions. Some of the provisions are simple clean-ups of unnecessary statutes; others are small changes to make Wisconsin government work more efficiently.

Assembly Bill 494 does three things. First, it gives the DFI secretary authority to appoint notaries public instead of the governor. DFI already handles the entire process of becoming a notary. This change will make the whole process shorter and more efficient, and is supported by the Governor's office.

Second, AB 494 eliminates a requirement that the department "appoint advisors" from the collection business in Wisconsin. No such advisors have been appointed in the past 25 years, yet the department has been able to find advice from the industry when needed.

Third, AB 494 changes the law regarding currency exchange (check cashing) companies. These companies are required by law to insure themselves against burglary, larceny, robbery, forgery, and embezzlement. This bill makes it clear that the company must have the policy in place before a license is issued. It also eliminates a statutorily required deductible in the case of forgery insurance.



State of Wisconsin
Department of Financial Institutions

Scott Walker, Governor

Peter Bildsten, Secretary

February 2, 2012

Representative Bill Kramer
Chair, Assembly Committee on Financial Institutions
Room 115 West
State Capitol
Madison, WI 53708

Dear Chairman Kramer and Members of the Committee,

On behalf of the Department of Financial Institutions (DFI), thank you for the opportunity to provide information in regards to Assembly Bill 494.

Assembly Bill 494 is a clean-up measure, which we support, that reorganizes the appointment of notaries, removes an unnecessary advisory board and changes the licensing requirements for community currency exchanges to match that of the currently accepted practice.

Under this bill, the DFI Secretary, rather than the Governor, would appoint notaries public who are not attorneys. Moving the appointment of notaries officially to the Secretary of the Department of Financial Institutions will streamline all oversight of the notaries in the DFI. DFI already handles all applications for notaries so this does not represent a drastic change. Changing the appointment to the Secretary improves efficiency in government and allows the agency to oversee the applications, to conduct hearings on denials and to allow the Secretary to determine if a license should be denied.

The second piece of the proposal deals with collection agency advisors. This is clean-up legislation to remove from statutes an advisory board that has been vacant for 25 years. The Department has a solid relationship with the Wisconsin Collectors Association, Inc. and relies on that organization for input when necessary.

The third part of this package is related to community currency exchange companies. Under this proposal every currency exchange company would submit a policy of insurance for approval by the Division of Banking prior to the approval of the license, which is consistent with DFI's current practices. It would also remove the \$50 deductible for forgery insurance requirement which has been a hardship to the industry because of the difficulty finding reasonable rates for an insurance policy with such a low deductible.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Knight".

Eric Knight
Executive Assistant
Department of Financial Institutions

Office of the Secretary

Mail: PO Box 8861 Madison, WI 53708-8861

Voice: (608) 264-7800

Fax: (608) 261-4DFI

Courier: 345 W. Washington Ave. 5th Floor Madison, WI 53703

TTY: (608) 266-8818

Internet: www.wdfi.org